

**STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2004**

	August-04				July-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	FYTD Net	FY04 Net	Ended 6/30/2004 Net	Ended 6/30/2004 Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
Los Angeles Capital	462,701	2.2%	2.3%	-0.39%	464,728	2.1%	2.3%	-5.03%	-5.40%	N/A	N/A	N/A
Total Structured Growth	462,701	2.2%	2.3%	-0.39%	464,728	2.1%	2.3%	-5.03%	-5.40%	17.58%	-6.28%	-7.85%
<i>Russell 1000 Growth</i>				-0.49%				-5.65%	-6.12%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>												
LSV	496,322	2.4%	2.3%	1.42%	489,248	2.3%	2.3%	-1.21%	0.20%	30.56%	9.33%	8.36%
<i>Russell 1000 Value</i>				1.42%				-1.41%	-0.01%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	981,966	4.7%	4.5%	0.22%	980,277	4.5%	4.5%	-3.56%	-3.35%	N/A	N/A	N/A
<i>Russell 1000</i>				0.49%				-3.51%	-3.04%	N/A	N/A	N/A
<i>S&P 500 Enhanced Index</i>												
Westridge	960,001	4.6%	4.5%	0.44%	956,376	4.4%	4.5%	-3.30%	-2.88%	N/A	N/A	N/A
<i>S&P 500</i>				0.40%				-3.31%	-2.92%	N/A	N/A	N/A
<i>Index</i>												
State Street	289,072			0.41%	287,952			-3.32%	-2.93%	19.01%	-0.75%	-2.28%
Total Index	289,072	1.4%	1.5%	0.41%	287,952	1.3%	1.5%	-3.32%	-2.93%	19.01%	-0.75%	-2.28%
<i>S&P 500</i>				0.40%				-3.31%	-2.92%	19.11%	-0.70%	-2.21%
TOTAL LARGE CAP DOMESTIC EQUITY	3,190,062	15.1%	15.0%	0.40%	3,178,581	14.7%	15.0%	-3.33%	-2.94%	21.46%	0.15%	-1.39%
<i>S&P 500</i>				0.40%				-3.31%	-2.92%	19.11%	-0.70%	-2.21%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	1,003,158	4.8%	5.0%	-1.22%	1,016,301	4.7%	5.0%	-7.28%	-8.41%	32.99%	5.51%	N/A
<i>Russell 2000 + 200bp</i>				-0.35%				-6.57%	-6.89%	35.99%	7.90%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	1,003,158	4.8%	5.0%	-1.22%	1,016,301	4.7%	5.0%	-7.28%	-8.41%	32.99%	5.54%	7.29%
<i>Russell 2000</i>				-0.51%				-6.73%	-7.21%	33.36%	6.24%	6.63%
CONVERTIBLES												
TCW	2,064,160	9.8%	10.0%	-0.55%	2,077,488	9.6%	10.0%	-5.05%	-5.57%	17.50%	1.03%	3.90%
<i>First Boston Convertible Index</i>				-0.30%				-2.49%	-2.78%	14.16%	4.89%	5.75%
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
Capital Guardian	1,668,334	7.9%	8.0%	0.38%	1,664,910	7.7%	8.0%	-3.48%	-3.11%	25.36%	-0.39%	0.54%
<i>MSCI EAFE - 50% Hedged</i>				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>												
Lazard	232,516	1.1%	1.0%	0.30%	231,837	1.1%	1.0%	-3.00%	-2.71%	43.30%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.00%				-4.20%	-3.24%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>												
Vanguard	222,330	1.1%	1.0%	0.87%	220,408	1.0%	1.0%	-7.69%	-6.89%	44.68%	N/A	N/A
<i>SSB BROAD MARKET INDEX < \$2BN</i>				1.00%				-4.20%	-3.24%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	2,123,180	10.1%	10.0%	0.43%	2,117,154	9.8%	10.0%	-3.86%	-3.45%	29.16%	1.02%	1.39%
<i>MSCI EAFE - 50% Hedged</i>				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-2.14%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	3,743,942	17.8%	16.7%	2.06%	3,877,851	17.9%	16.7%	1.24%	3.33%	2.42%	7.77%	8.10%
<i>Lehman Aggregate</i>				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
<i>Index</i>												
Bank of ND	4,815,082	22.8%	25.0%	1.66%	5,005,681	23.1%	25.0%	0.77%	2.43%	0.07%	7.10%	7.25%
<i>Lehman Intermediate Gov/Credit (1)</i>				1.67%				0.84%	2.53%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>												
Strong	2,089,380	9.9%	8.3%	2.39%	2,154,964	10.0%	8.3%	1.37%	3.79%	1.18%	N/A	N/A
<i>Lehman US Credit BAA</i>				2.55%				1.40%	3.99%	1.96%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	10,648,404	50.5%	50.0%	1.94%	11,038,496	51.0%	50.0%	1.05%	3.01%	0.79%	7.00%	7.45%
<i>Lehman Gov/Credit</i>				2.12%				1.06%	3.19%	-0.72%	6.73%	7.10%
CASH EQUIVALENTS												
Bank of ND	2,057,333	9.8%	10.0%	0.14%	2,206,612	10.2%	10.0%	0.13%	0.27%	1.20%	1.72%	3.39%
<i>90 Day T-Bill</i>				0.12%				0.12%	0.24%	0.98%	1.71%	3.30%
TOTAL FIRE & TORNADO FUND	21,086,298	100.0%	100.0%	1.00%	21,634,632	100.0%	100.0%	-1.26%	-0.28%	9.98%	4.82%	5.23%
<i>POLICY TARGET BENCHMARK</i>				1.09%				-0.82%	0.26%	8.00%	4.52%	4.67%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.